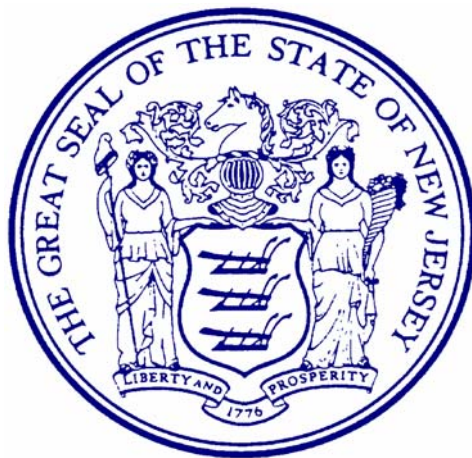


**TROPICANA CASINO AND RESORT
QUARTERLY REPORT**

FOR THE QUARTER ENDED JUNE 30, 2006

**SUBMITTED TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY**



**DIVISION OF FINANCIAL EVALUATION
REPORTING MANUAL**

TROPICANA CASINO AND RESORT BALANCE SHEETS

AS OF JUNE 30, 2006 AND 2005

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2006 (c)	2005 (d)
	<u>ASSETS:</u>			
	Current Assets:			
1	Cash and Cash Equivalents.....		\$47,923	\$32,240
2	Short-Term Investments.....		0	0
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2006, \$16,583; 2005, \$16,404).....	6	27,091	19,067
4	Inventories		5,673	4,809
5	Other Current Assets.....		12,222	12,299
6	Total Current Assets.....		92,909	68,415
7	Investments, Advances, and Receivables.....	4,5	26,764	25,895
8	Property and Equipment - Gross.....	2	1,124,723	1,103,097
9	Less: Accumulated Depreciation and Amortization.....	2	(329,780)	(294,606)
10	Property and Equipment - Net.....	2	794,943	808,491
11	Other Assets.....		61,591	68,974
12	Total Assets.....		\$976,207	\$971,775
	<u>LIABILITIES AND EQUITY:</u>			
	Current Liabilities:			
13	Accounts Payable.....		\$15,748	\$31,793
14	Notes Payable.....		0	0
	Current Portion of Long-Term Debt:			
15	Due to Affiliates.....		0	0
16	External.....	3	33	53
17	Income Taxes Payable and Accrued.....		0	0
18	Other Accrued Expenses.....		27,546	26,426
19	Other Current Liabilities.....		6,282	6,158
20	Total Current Liabilities.....		49,609	64,430
	Long-Term Debt:			
21	Due to Affiliates.....	3,5	292,000	447,000
22	External.....	3	287	320
23	Deferred Credits		0	0
24	Other Liabilities.....	5	367,174	357,078
25	Commitments and Contingencies.....	4	0	0
26	Total Liabilities.....		709,070	868,828
27	Stockholders', Partners', or Proprietor's Equity.....		267,137	102,947
28	Total Liabilities and Equity.....		\$976,207	\$971,775

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TROPICANA CASINO AND RESORT

STATEMENTS OF INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2006 AND 2005

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2006 (c)	2005 (d)
	Revenue:			
1	Casino.....		\$220,324	\$205,931
2	Rooms.....		35,978	29,964
3	Food and Beverage.....		29,580	28,364
4	Other.....		11,418	10,719
5	Total Revenue.....		297,300	274,978
6	Less: Promotional Allowances.....		60,191	48,904
7	Net Revenue.....		237,109	226,074
	Costs and Expenses:			
8	Cost of Goods and Services.....	5	138,599	137,015
9	Selling, General, and Administrative.....	5	33,835	37,520
10	Provision for Doubtful Accounts.....		984	594
11	Total Costs and Expenses.....		173,418	175,129
12	Gross Operating Profit.....		63,691	50,945
13	Depreciation and Amortization.....		24,414	20,937
	Charges from Affiliates Other than Interest:			
14	Management Fees.....	5	17,000	17,400
15	Other.....		0	0
16	Income (Loss) from Operations.....		22,277	12,608
	Other Income (Expenses):			
17	Interest Expense - Affiliates.....	3	(17,520)	(26,820)
18	Interest Expense - External.....	3	(12)	(3)
19	CRDA Related Income (Expense) - Net.....	4	(997)	(661)
20	Nonoperating Income (Expense) - Net.....	6,7	4,901	1,376
21	Total Other Income (Expenses).....		(13,628)	(26,108)
22	Income (Loss) Before Taxes and Extraordinary Items.....		8,649	(13,500)
23	Provision (Credit) for Income Taxes.....		2,501	451
24	Income (Loss) Before Extraordinary Items.....		6,148	(13,951)
	Extraordinary Items (Net of Income Taxes -			
25	2006, \$0; 2005, \$0).....		0	0
26	Net Income (Loss).....		\$6,148	(\$13,951)

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TROPICANA CASINO AND RESORT

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED JUNE 30, 2006 AND 2005

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2006 (c)	2005 (d)
	Revenue:			
1	Casino.....		\$112,943	\$108,617
2	Rooms.....		19,476	16,973
3	Food and Beverage.....		15,091	14,767
4	Other.....		6,589	5,575
5	Total Revenue.....		154,099	145,932
6	Less: Promotional Allowances.....		31,728	26,186
7	Net Revenue.....		122,371	119,746
	Costs and Expenses:			
8	Cost of Goods and Services.....	5	69,926	69,786
9	Selling, General, and Administrative.....	5	16,610	17,868
10	Provision for Doubtful Accounts.....		537	249
11	Total Costs and Expenses.....		87,073	87,903
12	Gross Operating Profit.....		35,298	31,843
13	Depreciation and Amortization.....		11,645	10,593
	Charges from Affiliates Other than Interest:			
14	Management Fees.....	5	7,500	7,500
15	Other.....		0	0
16	Income (Loss) from Operations.....		16,153	13,750
	Other Income (Expenses):			
17	Interest Expense - Affiliates.....	3	(8,760)	(13,410)
18	Interest Expense - External.....	3	(6)	0
19	CRDA Related Income (Expense) - Net.....	4	(528)	(385)
20	Nonoperating Income (Expense) - Net.....	6,7	110	1,242
21	Total Other Income (Expenses).....		(9,184)	(12,553)
22	Income (Loss) Before Taxes and Extraordinary Items.....		6,969	1,197
23	Provision (Credit) for Income Taxes.....		3,518	(10,842)
24	Income (Loss) Before Extraordinary Items.....		3,451	12,039
	Extraordinary Items (Net of Income Taxes -			
25	2006, \$0; 2005, \$0).....		0	0
26	Net Income (Loss).....		\$3,451	\$12,039

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TROPICANA CASINO AND RESORT

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2005 AND THE SIX MONTHS ENDED JUNE 30, 2006

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	Common Stock		Preferred Stock		Additional Paid-In Capital (g)	(h)	Retained Earnings (Accumulated Deficit) (i)	Total Stockholders' Equity (Deficit) (j)
			Shares (c)	Amount (d)	Shares (e)	Amount (f)				
1	Balance, December 31, 2004.....		100	\$1	0	\$0	\$127,071	\$0	(\$10,249)	\$116,823
2	Net Income (Loss) - 2005.....								(11,238)	(11,238)
3	Contribution to Paid-in-Capital.....						155,000			155,000
4	Dividends.....									0
5	Prior Period Adjustments.....									0
6	Tax Benefit-Stock Options Exercised.....						176			176
7										0
8										0
9										0
10	Balance, December 31, 2005.....		100	1	0	0	282,247	0	(21,487)	260,761
11	Net Income (Loss) - 2006.....								6,148	6,148
12	Contribution to Paid-in-Capital.....									0
13	Dividends.....									0
14	Prior Period Adjustments.....									0
15	Tax Benefit-Stock Options Exercised.....						22			22
16	Stock Options Compensation Expense.....						206			206
17										0
18										0
19	Balance, June 30, 2006		100	\$1	0	\$0	\$282,475	\$0	(\$15,339)	\$267,137

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TROPICANA CASINO AND RESORT

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2006 AND 2005

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2006 (c)	2005 (d)
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES..		\$14,411	\$54,285
	CASH FLOWS FROM INVESTING ACTIVITIES:			
2	Purchase of Short-Term Investments		0	0
3	Proceeds from the Sale of Short-Term Investments		0	0
4	Cash Outflows for Property and Equipment.....		(17,370)	(42,888)
5	Proceeds from Disposition of Property and Equipment.....		294	74
6	CRDA Obligations		(2,809)	(3,258)
7	Other Investments, Loans and Advances made.....		0	0
8	Proceeds from Other Investments, Loans, and Advances		739	437
9	Cash Outflows to Acquire Business Entities.....		0	0
10			0	0
11			0	0
12	Net Cash Provided (Used) By Investing Activities.....		(19,146)	(45,635)
	CASH FLOWS FROM FINANCING ACTIVITIES:			
13	Proceeds from Short-Term Debt		0	0
14	Payments to Settle Short-Term Debt.....		0	0
15	Proceeds from Long-Term Debt		0	0
16	Costs of Issuing Debt.....		0	0
17	Payments to Settle Long-Term Debt.....		(36)	(32)
18	Cash Proceeds from Issuing Stock or Capital Contributions...		0	0
19	Purchases of Treasury Stock.....		0	0
20	Payments of Dividends or Capital Withdrawals.....		0	0
21			0	0
22			0	0
23	Net Cash Provided (Used) By Financing Activities.....		(36)	(32)
24	Net Increase (Decrease) in Cash and Cash Equivalents.....		(4,771)	8,618
25	Cash and Cash Equivalents at Beginning of Period.....		52,694	23,622
26	Cash and Cash Equivalents at End of Period.....		\$47,923	\$32,240
	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized).....		\$17,532	\$26,823
28	Income Taxes.....			

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TROPICANA CASINO AND RESORT

STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2006 AND 2005

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2006 (c)	2005 (d)
	CASH FLOWS FROM OPERATING ACTIVITIES:			
29	Net Income (Loss).....		\$6,148	(\$13,951)
30	Depreciation and Amortization of Property and Equipment...		24,414	20,937
31	Amortization of Other Assets.....		0	0
32	Amortization of Debt Discount or Premium.....		(80)	(14)
33	Deferred Income Taxes - Current		0	(2,826)
34	Deferred Income Taxes - Noncurrent		3,780	(5,923) *
35	(Gain) Loss on Disposition of Property and Equipment.....		148	343
36	(Gain) Loss on CRDA-Related Obligations.....		989	557
37	(Gain) Loss from Other Investment Activities.....		0	0
38	(Increase) Decrease in Receivables and Patrons' Checks		(2,758)	(823)
39	(Increase) Decrease in Inventories		(876)	(385)
40	(Increase) Decrease in Other Current Assets.....		(1,145)	2,985
41	(Increase) Decrease in Other Assets.....		2,134	(1,977)
42	Increase (Decrease) in Accounts Payable.....		(11,083)	8,076
43	Increase (Decrease) in Other Current Liabilities		2,799	(5,197)
44	Increase (Decrease) in Other Liabilities		(10,265)	52,483
45	Stock Options Compensation Expense.....		206	0 *
46			0	0
47	Net Cash Provided (Used) By Operating Activities.....		\$14,411	\$54,285

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	ACQUISITION OF PROPERTY AND EQUIPMENT:			
48	Additions to Property and Equipment.....		(\$17,370)	(\$42,888)
49	Less: Capital Lease Obligations Incurred.....		0	0
50	Cash Outflows for Property and Equipment.....		(\$17,370)	(\$42,888)
	ACQUISITION OF BUSINESS ENTITIES:			
51	Property and Equipment Acquired.....		\$0	\$0
52	Goodwill Acquired.....		0	0
53	Other Assets Acquired - net		0	0
54	Long-Term Debt Assumed.....		0	0
55	Issuance of Stock or Capital Invested.....		0	0
56	Cash Outflows to Acquire Business Entities.....		\$0	\$0
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:			
57	Total Issuances of Stock or Capital Contributions.....		\$0	\$0
58	Less: Issuances to Settle Long-Term Debt.....		0	0
59	Consideration in Acquisition of Business Entities.....		0	0
60	Cash Proceeds from Issuing Stock or Capital Contributions.....		\$0	\$0

* Certain 2005 amounts have been reclassified to conform with 2006 presentation

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

TROPICANA CASINO AND RESORT SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

FOR THE SIX MONTHS ENDED JUNE 30, 2006

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	175,888	\$17,301	0	\$0
2	Food	1,330,040	13,035	225,402	2,209
3	Beverage	4,973,760	5,868	0	0
4	Travel	0	0	5,361	1,877
5	Bus Program Cash	300,905	4,571	0	0
6	Other Cash Complimentaries	761,898	17,718	0	0
7	Entertainment	243,450	487	10,958	219
8	Retail & Non-Cash Gifts	0	0	226,277	2,109
9	Parking	0	0	106,767	320
10	Other	538,060	1,211	52,328	420
11	Total	8,324,001	\$60,191	627,093	\$7,154

FOR THE THREE MONTHS ENDED JUNE 30, 2006

Line (a)	Description (b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	89,882	\$8,911	0	\$0
2	Food	693,122	6,793	111,146	1,089
3	Beverage	2,492,880	2,925	0	0
4	Travel	0	0	2,615	916
5	Bus Program Cash	169,166	2,569	0	0
6	Other Cash Complimentaries	400,034	9,607	0	0
7	Entertainment	149,250	299	9,048	181
8	Retail & Non-Cash Gifts	0	0	90,303	826
9	Parking	0	0	59,352	178
10	Other	272,500	624	23,954	197
11	Total	4,266,834	\$31,728	296,418	\$3,387

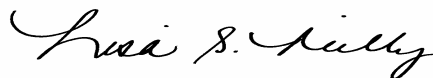
TROPICANA CASINO AND RESORT STATEMENT OF CONFORMITY, ACCURACY, AND COMPLIANCE

FOR THE QUARTER ENDED JUNE 30, 2006

1. I have examined this Quarterly Report
2. All the information contained in this Quarterly Report has been prepared in conformity with the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this report is accurate.
4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.

8/15/2006

Date



Lisa S. Reilly

Assistant Vice President, Finance

Title

005939-11

License Number

On Behalf of:

TROPICANA CASINO AND RESORT

Casino Licensee

ADAMAR OF NEW JERSEY, INC.
DBA TROPICANA CASINO AND RESORT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2006 AND 2005

NOTE 1. DISCLOSURES NOT PRESENTED AND RECENT ACCOUNTING PRONOUNCEMENTS

Certain footnotes have not been presented in these Notes to Consolidated Financial Statements. These footnotes would be a duplicate of items contained in the Casino Control Commission Annual Report for the year ended December 31, 2005.

The specific footnotes not presented are the Summary of Significant Accounting Policies and Lease Obligations. The footnotes contained in the December 31, 2005 Annual Report should be read in conjunction with these financial statements.

NOTE 2. PROPERTY AND EQUIPMENT

At June 30, 2006 and 2005, the components of Property and Equipment consisted of:

	<u>2006</u>	<u>2005</u>
Land and land improvements	\$ 49,974,000	\$ 49,974,000
Building and improvements	885,050,000	877,255,000
Furniture, fixtures and equipment	170,137,000	164,309,000
Leased personal property	1,366,000	1,366,000
Construction in progress	<u>18,196,000</u>	<u>10,193,000</u>
Total property and equipment-gross	1,124,723,000	1,103,097,000
Less: accumulated depreciation and amortization	<u>(329,780,000)</u>	<u>(294,606,000)</u>
Total property and equipment	<u>\$ 794,943,000</u>	<u>\$ 808,491,000</u>

NOTE 3. LONG-TERM DEBT

At June 30, 2006 and 2005, Long-Term Debt consisted of:

	<u>2006</u>	<u>2005</u>
Notes Payable - Aztar Corporation; 12.0% due 2014	<u>\$ 292,000,000</u>	<u>\$ 447,000,000</u>
Long-term debt due to affiliates	292,000,000	447,000,000
Contract payable; 7.2%; matures 2014	315,000	348,000
Obligations under capital leases	<u>5,000</u>	<u>25,000</u>
Total affiliates and other	292,320,000	447,373,000
Less: current portion	<u>(33,000)</u>	<u>(53,000)</u>
Total long-term debt	<u>\$ 292,287,000</u>	<u>\$ 447,320,000</u>

NOTE 4. COMMITMENTS AND CONTINGENCIES

Licensing

On November 26, 1982, the Company was granted a plenary gaming license by the New Jersey Casino Control Commission, referred to as the "CCC". The license is renewable every four years. In November 2003, the license was renewed for a period of four years, effective through November 30, 2007.

The Company is a party to various claims, legal actions and complaints arising in the ordinary course of business or asserted by way of defense or counter-claim in actions filed by the Company. Management believes that its defenses are substantial in each of these matters, and the Company's legal posture can be successfully defended or satisfactorily settled without material adverse effect on its consolidated financial position, results of operations or cash flows.

The CCC imposes an annual tax of eight percent on gross casino revenue. Pursuant to legislation adopted in 1984, casino licensees are required to invest an additional one and one-quarter percent of gross casino revenue for the purchase of bonds to be issued by the Casino Reinvestment Development Authority ("CRDA") or make other approved investments equal to that amount; in the event the investment requirement is not met, the casino licensee is subject to a tax of two and one-half percent on gross casino revenue. As mandated by the legislation, the interest rate of the CRDA bonds purchased by the licensee will be two-thirds of the average market rate for bonds available for purchase and published by a national bond index at the time of the CRDA bond issuance. The Company's reinvestment obligation for 2006 and 2005, respectively, was \$2,809,000 and \$2,595,000 for the purchase of CRDA bonds. In 2006 and 2005, the Company recorded a loss provision of \$989,000 and \$557,000 respectively. The loss provision is to recognize the effect of the below market interest rate using the interest rate in effect at June 30, 2006.

NOTE 5. RELATED PARTIES

Transactions with affiliates consist of expenditures by affiliates on the Company's behalf including purchases of assets, facility rental, and administrative expenses or cash advances to affiliates or other receivables from affiliates. The Company has many significant transactions with Aztar. Since payment is not required to be made currently, the net of these transactions is classified as long-term.

Aztar performs various corporate services for the Company. For the period ended June 30, 2006 and 2005, Aztar charged the Company a management fee of \$17,000,000 and \$17,400,000, respectively.

Due to affiliates is reflected in Other Liabilities. The identity of the affiliate and corresponding balances at June 30, 2006 and 2005 are:

	<u>2006</u>	<u>2005</u>
Due to Aztar Corporation	\$357,784,000	\$350,629,000
Due to Ramada New Jersey, Inc.	463,000	388,000
Due to Adamar Garage Corporation	8,403,000	3,706,000
Due to Atlantic Deauville, Inc.	426,000	358,000
Due to Tropicana West	<u>98,000</u>	<u>97,000</u>
	<u>\$367,174,000</u>	<u>\$355,178,000</u>

Notes payable to related parties are included in Long-term debt to affiliates (See Note 3). The identity of the affiliate and corresponding balances at June 30, 2006 and 2005 are:

<u>PAYEE</u>	<u>2006</u>	<u>2005</u>
Aztar Corporation	\$ 292,000,000	\$ 447,000,000

For the six months ended June 30, 2006 and 2005 the Company incurred charges from affiliates which are indicated in the accompanying Statements of Income as Cost of Goods and Services and Selling, General, and Administrative. The nature of the charges and dollar amounts are as follows:

	<u>2006</u>	<u>2005</u>
<u>COST OF GOODS AND SERVICES</u>		
Executive deferred compensation plan	\$ 1,000	\$ 1,000
Property insurance	<u>1,754,000</u>	<u>1,452,000</u>
	<u>1,755,000</u>	<u>1,453,000</u>
<u>SELLING, GENERAL AND ADMINISTRATIVE</u>		
Insurance	263,000	273,000
Executive deferred compensation plan	8,000	15,000
Professional services	<u>32,000</u>	<u>4,000</u>
	<u>303,000</u>	<u>292,000</u>
Total	<u>\$ 2,058,000</u>	<u>\$1,745,000</u>

NOTE 6: ACCOUNTING FOR THE IMPACT OF THE OCTOBER 30, 2003 CONSTRUCTION ACCIDENT

An accident occurred on the site of the construction of the expansion on October 30, 2003. The accident resulted in a loss of life and serious injuries, as well as extensive damage to the facilities under construction.

Construction on the expansion project was substantially completed by December 31, 2004. The expansion includes 502 additional hotel rooms, 20,000 square feet of meeting space, 2,400 parking spaces, and "The Quarter at Tropicana," a 200,000-square-foot dining, entertainment and retail center.

The Company incurred \$3,641,000 and \$1,269,000 of construction accident related costs and expenses, that may not be reimbursed by insurance during the six months ended June 30, 2006 and 2005, respectively. These costs and expenses primarily consist of professional fees incurred as a result of the accident.

During the six months ended June 30, 2006 and 2005, the Company recorded \$8,358,000 and \$526,000, respectively, of insurance recoveries due to the delay of the opening of the expansion, which represent a portion of the anticipated profit that the Company would have recognized had the expansion opened as originally projected as well as some reimbursement for costs incurred as a result of the delay. These insurance recoveries were classified as a component of Non-operating Income(Expense) in the Statements of Income. Insurance claims for business interruption that occurred from the date of the accident through December 31, 2005 have been filed with the Company's insurers in the amount of approximately \$52,100,000, of which \$3,500,000 has been received by the Company. In addition, the Company has filed insurance claims for lost profits and additional costs as a result of the delay in the opening of the expansion. The total of these claims is approximately \$69,600,000, of which approximately \$14,700,000 has been received by the Company and \$3,500,000 was included in the Balance Sheet as a component of Receivables and Patron's Checks at June 30, 2006.

Profit recovery from insurance is recorded when the amount of recovery, which may be different than the amount claimed, is agreed to by the insurers. The Company has also filed insurance claims of approximately \$9,000,000 for other costs it has incurred that are related to the construction accident, of which \$1,500,000 has been received by the Company. These other costs are primarily supplemental marketing costs and approximately \$1,600,000 was included in the Balance Sheet as a component of Receivables and Patron's Checks at June 30, 2006.

In order to ensure that the construction proceed expeditiously and in order to settle certain disputes, the Company and the general contractor entered into a settlement agreement on October 6, 2004 that delineates how the Company and its contractor will share the cost of and the insurance proceeds received for the dismantlement, debris removal and rebuild. During the six months ended June 30, 2006 and 2005, the Company recorded \$2,242,000 and \$4,428,000, respectively, of insurance recoveries associated with the rebuild, net of direct costs to obtain the recoveries. These amounts were classified as a component of Non-operating Income(Expense) in the Statements of Income. In addition, at June 30, 2006, the Company's share of claims outstanding for dismantlement, debris removal and rebuild was approximately \$30,500,000.

NOTE 7. NON-OPERATING INCOME/EXPENSE

For the period ending June 30, 2006 and 2005, Non-operating Income/(Expense) consisted of the following:

	<u>2006</u>	<u>2005</u>
Interest income	\$ 719,000	\$ 457,000
Gain/(Loss)on dispositions	(148,000)	(342,000)
Construction accident	6,959,000	3,684,000
Stock option compensation expense	(206,000)	0
Affiliate rent expense	<u>(2,423,000)</u>	<u>(2,423,000)</u>
Total	<u>\$ 4,901,000</u>	<u>\$ 1,376,000</u>